

OPENING STATEMENT OF REP. SUE KELLY

CHAIRWOMAN

SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS

“Saving Taxpayer Money Through Sound Financial Management”

June 25, 2003

Far too often, we in Washington see too much reckless and wasteful spending without regard for American taxpayers. I believe we must carefully examine every penny the federal government spends to ensure that hardworking American families are getting the most for their tax dollars.

The budget resolution passed by the House for the next fiscal year includes a pledge to search for and eliminate waste, fraud, or misuse in federal spending. This pledge represents a commitment to all Americans that this Congress will not take their hard-earned dollars for granted. The Subcommittee is meeting today to discuss how to fulfill this promise immediately.

With the Committee's encouragement, senior managers at the Departments of Housing and Urban Development and the Rural Housing Service, an agency within the Agriculture Department, are scouring decade-old accounts and contracts under their control. I would like to commend the two agencies for working diligently with this Subcommittee to identify funds that are available to reduce spending needs for future years.

After careful investigation, I am pleased to be able to announce that we have discovered over a billion dollars that were appropriated and obligated for a specific grant or subsidy but, for a variety of reasons, were never spent and are no longer needed for their original purpose. To date, we have officially found a total of \$1.7 billion in unspent funds at HUD that can be used to reduce future spending. We have also located an additional \$737 million in unspent funds at the Rural Housing Service, which the Agriculture Department is still investigating. To assist in these efforts to protect taxpayers, I would like to announce our request for a GAO study to determine how much of these funds can be recaptured.

Today, we have with us senior officials from both agencies to discuss their findings and what they hope to do with the funds they have found. We have also asked for, and received, a statement from the Inspector General of HUD, Kenneth Donohue, on his office's initiatives to halt waste, fraud, and abuse. These include work to recover improper payments for housing assistance and a new initiative to detect and prosecute fraud in the Section 8 program in collaboration with HUD management. The Subcommittee applauds these steps. By eliminating waste in these important housing programs, Secretary Martinez and Inspector General Donohue are ensuring that vital program funds are spent to help the beneficiaries as Congress intended. I ask the Subcommittee's unanimous consent to insert this statement in to the record.

I would like to thank the witnesses for appearing before the Subcommittee today. I look forward to your testimony.